

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113
TUESDAY, MARCH 12, 2002
9 A.M.**

Commissioners Present: Bob Workman, Chair
Bernie Heier, Vice Chair
Kathy Campbell
Larry Hudkins

Commissioners Absent: Ray Stevens

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Dave Johnson, Deputy County Attorney
Bruce Medcalf, County Clerk
Trish Owen, Deputy County Clerk
Ann Taylor, County Clerk's Office

The Staff Meeting was called to order at 9:05 a.m.

AGENDA ITEM

**1 APPROVAL OF THE STAFF MEETING MINUTES OF THURSDAY,
MARCH 7, 2002**

MOTION: Hudkins moved and Campbell seconded approval of the Staff Meeting minutes dated March 7, 2002. Hudkins, Heier, Campbell and Workman voted aye. Motion carried.

2 ADDITIONS TO THE AGENDA

- A. Planning Director Search
- B. Tour of Salt Creek Tiger Beetle Habitat
- C. C#2002-105, \$910.26 from the County Extension Budget for Three (3) Seagate SCSI Drives (Exhibit A)

MOTION: Campbell moved and Heier seconded approval of the additions to the agenda. Campbell, Heier, Workman and Hudkins voted aye. Motion carried.

ADDITIONS TO THE AGENDA

A. Planning Director Search

Campbell said there have been few applicants for the position. She said the Planning Director Search Committee plans to review the job description and may seek the services of a "head hunter" firm.

B. Tour of Salt Creek Tiger Beetle Habitat

Eagan said Terry Genrich, Parks & Recreation Natural Resources Manager, has asked whether the Board would like to invite an entomologist from the University of Nebraska to join them on a tour of the Salt Creek Tiger Beetle habitat, scheduled for March 26, 2002 (Exhibit B).

Hudkins noted that Mayor Wesely and Mark Bowen, Mayor's Chief of Staff, have asked to be included, along with a member of the City Council.

Heier suggested representation from the agricultural community.

MOTION: Hudkins moved and Heier seconded to invite Doug Nagel, area farmer, or a representative of the landowners, to join them on the tour.

Item was tabled.

3 LEGISLATIVE UPDATE - Gordon Kissel, Legislative Consultant

Gordon Kissel, Legislative Consultant, gave a legislative update (Exhibit C), noting the following:

- Economic Stimulus Bill passed by Congress reduces the State's corporate tax collection by \$35 million. The state is now facing a shortfall of \$220 million.
- Appropriations Committee must submit a budget plan by March 14, 2002. \$16.5 million in across the board cuts, a \$6 million reduction in Medicaid and a 1% reduction for the University of Nebraska and state colleges are anticipated. These reductions are less than those proposed by the Governor.
- \$1.4 million was budgeted for juvenile justice this year as a result of LB 640 (renames grants and provides for a county aid program under the Juvenile Services Act). There is general consensus in the Appropriations Committee to cut the funding this year, as it is nearing the end of the fiscal year, and keep the \$2.7 million base for the long term.

Eagan said the County has relied on this money and has already entered into contracts that require matching funds.

Dave Kroeker, Budget and Fiscal Officer, said Lancaster County was to receive \$200,000 this year and \$400,000 next year.

Campbell said Lancaster County may have been one of the few that were ready to use the LB 640 money and suggested that the County ask to be held harmless this year.

Kroeker distributed copies of a memorandum Mike Thurber, Corrections Director, received from the Nebraska Department of Correctional Services regarding unpaid state prisoner reimbursement claims (Exhibit D). He reported that the County is short \$37,915 on LB 695 (changed provisions for the custody and maintenance of prisoners by counties) reimbursements because the State ran out of appropriations. Kroeker noted that Correctional Services may ask the Nebraska Legislature for additional appropriations to cover the shortfall.

MOTION: Hudkins moved and Campbell seconded to send a letter to Senator Wehrbein, Chair of the Appropriations Committee, and a companion letter to Governor Johanns, with copies to members of the Lancaster County Senate delegation, on the matter of unpaid state prisoner reimbursement claims. Campbell, Heier, Workman and Hudkins voted aye. Motion carried.

The Board asked Kroeker to prepare an analysis of the impact legislative cuts will have on the County's budget. Kissel agreed to provide Kroeker with a copy of the Appropriation Committee's budget plan, when it becomes available, and to coordinate efforts with Douglas and Sarpy County's lobbyists.

4 DEFEASANCE OF LANCASTER MANOR BONDS - Bill Giovanni, Ameritas Investment Corporation; Dave Kroeker, Budget and Fiscal Officer; Larry Van Hunnik, Lancaster Manor Administrator

Larry Van Hunnik, Lancaster Manor Administrator, distributed copies of the following (Exhibit E):

- *Report of Independent Public Accountants* from Seim, Johnson, Sestak & Quist, LLP ((June 9, 1997)
- *Lancaster County Leasing Corporation (Lancaster Manor Project), Series 1998 Bonds, Debt Service Schedule*
- *State of Nebraska, Health and Human Services System, Rate Notification* (Report Period 07/01/2000 to 06/30/2001)

NOTE: The Lancaster County Renewal and Replacement Fund was established by the Lancaster County Leasing Corporation in connection with the issuance of general obligation bonds in 1985 for the construction of Lancaster Manor and in connection with subsequent refunding bond issues in 1988, 1992 and 1998. Lancaster Manor receives approximately 98% of its revenues from services provided to beneficiaries of the Medicaid program. Medicaid reimburses Lancaster Manor for the actual out-of-pocket costs incurred in providing care to these residents, subject to limitations on costs imposed on all nursing facilities throughout the state, including capital costs such as interest and depreciation.

Van Hunnik suggested that it may be in the County's best interest to call the 1998 bonds, in view of the Manor's low occupancy and changes in the Medicaid reimbursement rules.

Bill Giovanni, Ameritas Investment Corporation, explained that the 1998 bonds aren't callable until 2005, but said the County could do a defeasance. This would involve transferring funds to a third party trustee. The funds would be held in a separate trust account and invested in U.S. Treasury bonds for the benefit of the bond holders and the investment portfolio will be structured so it pays the principal and interest on the bonds through 2005. Monies from the matured investments will then be used to call the bonds. He said once the bonds are defeased, the bond covenants (limitations on the use of the monies realized by Lancaster Manor) will be eliminated.

Giovanni reviewed *Lancaster Leasing Corporation, Lancaster Manor Project, Defeasance Requirement for Outstanding Bonds, March 12, 2002* (Exhibit F), noting the following:

- There are \$5,755,000 in outstanding bonds.
- The bonds, which have a maturity date of July 15, 2012, may be called on July 15, 2005.
- The average interest rate on the bonds is 4.24%.
- Total debt service (principal and interest) payable to the bondholders between now and final maturity in 2012 is \$7,187,455.
- Total debt service between now and the call date is \$6,491,752.50 (County would save approximately \$700,000 in interest payments by calling the bonds early).

Hudkins said it would be a savings to Medicaid, not the County.

Van Hunnik noted that there may be a re-basing of Medicaid reimbursement rates in the near future.

Giovanni explained that Medicaid depreciation reimbursement exceeded the principal payment on the bonds in the early years of the financing, but will fall below the principal amount as the furniture and fixtures become fully depreciated. He said this difference was placed in the Renewal and Replacement Fund to be used in later years to pay the principal on the bonds.

Giovanni noted an escrow requirement of \$5,851,068 for defeasement of the bonds (investment rate of 3.91%). He said there is currently \$4,892,028 in the Renewal and Replacement Fund and \$722,024 in the Debt Service Reserve Fund. Deposits to the Debt Service Fund from January, 2002 through April, 2002 will total \$169,091.25. He said the County would need to come up with an additional \$67,924.75 for escrow. Giovanni noted that this amount is the difference in interest earnings between the 4.24% and 3.91% interest rates. He also estimated the cost of transaction and consulting fees at \$10,000.

In response to a question from Hudkins, Giovanni said defeasance will provide the County complete flexibility on use of monies within Lancaster Manor.

Giovanni noted that Roger Thompson, Seim, Johnson, Sestak & Quist, LLP, is concerned with the State's state of flux and treatment of the interest component. He recommended further consultation with Thompson on the consequences of a defeasance, from a reimbursement standpoint.

Hudkins suggested that Senator Jensen, Nebraska Legislatures Health and Human Services Committee, may be able to provide information on what will be reimbursable.

Kroeker recommended delaying a decision on the defeasance until the re-basing of reimbursement rates occurs.

Giovanni noted that the defeasance can occur any time between now and 2005.

The Board asked Giovanni, Kroeker and Van Hunnik to consult with Thompson and report back within 30 days.

**5 COUNTY FINAL PLAT NO. 01031, HICKMAN RIDGE ESTATES;
SOUTH 68TH STREET AND ROCA ROAD** - Mike DeKalb, Planning
Department

Mike DeKalb, Planning Department, reviewed County Final Plat No. 01031, Hickman Ridge Estates, a request for a final plat consisting of 33 lots on property located at the southeast corner of South 68th Street and Roca Road (Exhibit G). He noted that the City of Hickman has already approved the portion of the final plat that is within its jurisdiction.

6 REPORT ON FELONY DRUG CASES - Gary Lacey, County Attorney;
Dennis Keefe, Public Defender

Dennis Keefe, Public Defender, reviewed the following (Exhibit H):

- *Felony Cases Filed in Lancaster County Court, 1997-2001*

Keefe noted a 16% increase in 2001 in the number of felony cases filed.

- *Lancaster County Public Defender, New Opened Felonies by Month & Type, January 2002 to February 2002*

Keefe said the Public Defender felony caseload increased 15% in 2001. He said 60% of these were drug cases, the majority involving methamphetamine. He said the next largest increase was in the area of property crime cases and said a large portion of these were drug related. Keefe noted that the increased caseload would take up approximately 60% of an attorney's time.

Keefe also noted a chart of Public Defender felony cases for January and February, 2002 and said for the first time drug cases outnumbered property cases.

Gary Lacey, County Attorney, said there may be a reduction in Byrne Fund Memorial Grants which funds the Multi-Jurisdictional Task Force (drug enforcement) that serves Lancaster County. He said the County currently receives \$350,000 in grant funds through the Nebraska Crime Commission for this purpose.

ADDITION TO THE AGENDA

D. Budget

MOTION: Campbell moved and Heier seconded to add the item to the agenda. Campbell, Heier, Workman and Hudkins voted aye. Motion carried.

Campbell noted that the Board has asked Dave Kroeker, Budget and Fiscal Officer, to prepare an analysis of the impact legislative cuts will have on the County's budget. She suggested that the Board send a letter to all County departments asking them to delineate the effects the legislative cuts will have on their departments, once that analysis is received. Campbell also suggested that the Board review the budget in April and make budget adjustments at that time rather than waiting until the end of the fiscal year.

RETURNING TO ITEM 2B

Board consensus to limit the Board's tour of the Salt Creek Tiger Beetle habitat to Board members; Kerry Eagan, Chief Administrative Officer; Gwen Thorpe, Deputy Chief Administrative Officer; Bruce Medcalf, County Clerk; Mayor Wesely; Mark Bowen, Mayor's Chief of Staff; Terry Genrich, Parks & Recreation Natural Resources Manager, and one person knowledgeable about the habitat and to schedule a follow-up work session.

The maker and seconder of the motion withdrew their motion.

7 REPORT ON EMERGENCY MEDICAL SERVICES (EMS), INC. - Dr. Dale Michels; Mike Miriovsky, EMS, Inc.

Dr. Dale Michels, said EMS, Inc. is contracted to provide medical oversight, quality assurance, protocols, monitoring of response times and response to customer concerns. It also provides medical direction for seven agencies outside the City of Lincoln (Air Guard/Airport Fire Department, Cortland Fire and Rescue, Douglas Fire Department, Firth/Panama Fire Department, Hallam Fire and Rescue, Hickman Fire and Rescue and the Southeast Rural Fire Department).

Mike Miriovsky, EMS, Inc., reviewed the following (Exhibit I):

- *2001 Ambulance Response Fractile Analysis, Lancaster County Delta/Echo Responses*

Miriovsky reported that the Lincoln Fire Department made 935 responses outside of the City of Lincoln in 2001, 524 were Delta/Echo responses.

- *2001 Lincoln Fire Department (LFD) Monthly Average Response Times, Lancaster County-Delta/Echo*

Miriovsky noted that a benchmark has not been established for Lancaster County.

Workman requested a comparison with response times for Rural/Metro Medical Services, which held the ambulance service contract prior to the City Fire Department.

Michels said the first eight minutes are critical and said the lack of address signage in the County is a problem for emergency responders.

Eagan explained that the County has a Rural Addressing Project in place and should see the results of that effort, including required signage, within a year.

Miriovsky reported that he is involved with a block grant that is looking at rural response times and said he will forward a copy of the final report to the Board.

Campbell suggested that he seek input from Doug Ahlberg, Emergency Management Director, as he has been working with the Lancaster County Firefighters Association on the radio communication problem and is seeking grants in this area.

8 PENDING LITIGATION - Doug Cyr and Dave Johnson, Deputy County Attorneys

MOTION: Campbell moved and Hudkins seconded to enter Executive Session at 11:04 a.m. for discussion of pending litigation. Hudkins, Workman, Heier and Campbell voted aye. Motion carried.

MOTION: Hudkins moved and Heier seconded to exit Executive Session at 11:26 a.m. Hudkins, Workman, Heier and Campbell voted aye. Motion carried.

9 INSURANCE PROVISIONS IN CONTRACT WITH WINFORCE TECHNOLOGIES FOR COUNTY ATTORNEY CASE MANAGEMENT SYSTEM - Dave Johnson, Deputy County Attorney

Dave Johnson, Deputy County Attorney, reported that WinForce Technologies is opposed to including insurance provisions in their contract to provide a case information management system for the County Attorney's Office.

MOTION: Heier moved and Campbell seconded to direct the County Attorney's Office to insist upon the insurance provisions. Hudkins, Workman, Heier and Campbell voted aye. Motion carried.

ADDITIONS TO THE AGENDA

C. C#2002-105, \$910.26 from the County Extension Budget for Three (3) Seagate SCSI Drives (Exhibit A)

MOTION: Heier moved and Campbell seconded approval. Hudkins, Workman, Heier and Campbell voted aye. Motion carried.

10 ACTION ITEMS

A. Request from United States Geologic Service to Share Cost of Aerial Photos and Digital Elevation Map of City of Lincoln and Portions of the County (50/50 Split)

Eagan said the cost is \$180,000, half of which will be paid by the Geographic Information System (GIS) users.

Thorpe estimated the County's share at \$5,000 to \$10,000.

MOTION: Hudkins moved and Campbell seconded to authorize participation in the project and to ask Kent Morgan, Assistant Planning Director, to try to negotiate inclusion of the remainder of the county in the project. Hudkins, Workman, Heier and Campbell voted aye. Motion carried.

B. Request for Payroll Insert Regarding Long Term Care Insurance

Item deferred until March 21, 2002.

11 CONSENT ITEM

A. Vacation Request from Mike Thurber, Corrections Director, for March 25-29, 2002

MOTION: Heier moved and Campbell seconded approval. Hudkins, Workman, Heier and Campbell voted aye. Motion carried.

12 ADMINISTRATIVE OFFICER REPORT

A. Reappointment of Dr. Dale Michels to the EMS, Inc. Board

The Board scheduled action on the March 19, 2002 County Board of Commissioners meeting agenda.

B. Interlocal Agreement Between Lincoln Electric System (LES), City of Lincoln and Lancaster County for Funding of Administrative Assistant to the Mayor for Economic Development

The Board reviewed the proposed interlocal agreement (see agenda packet) and requested the following changes to the mutual covenants:

- Change report on a regular basis to the Chair of the County Board to County Board in Covenant 4
- Add a covenant to provide each entity with veto power on projects and the scope of work
- Add a covenant to provide for an annual evaluation of the position
- Clarify the relationship with the existing interlocal agreement for Urban Development

Heier said he believes the Board is being rushed into a decision with limited information. He said he would like to have input from the Lincoln Partnership for Economic Development (LPED).

Workman noted an article in the Lincoln Journal Star newspaper which stated that Mayor Wesely had asked LPED to help fund the position but it elected not to do so, as a large portion of its funding is from private dollars. He said he believes it is appropriate for the County to participate in funding of the position and to continue to support LPED.

Heier questioned the need to fund both.

Workman said it has been suggested that the County redirect its funding of the Rural Enterprise Assistance Program (REAP) to this position. It has also been suggested that the funds be redirected to the Self Employment Loan Fund (SELF) Program.

Campbell said she still believes in the concept of LPED, to create one voice for the community. She noted that the City is currently providing \$250,000 to LPED and said if it is perceived that there are problems at LPED, an attempt should be made to correct them before spending an additional \$75,000 of the taxpayers' dollars (\$25,000 each from the City, County and Lincoln Electric System).

Hudkins said the LPED staff is limited in what it can do and said "we need somebody in economic development that answers to us".

MOTION: Heier moved and Campbell seconded to schedule discussion with representatives of Lincoln Partnership for Economic Development (LPED) and to continue to work on the interlocal agreement. Hudkins, Campbell, Heier and Workman voted aye. Motion carried.

C. Economic Development Project

Eagan said the Archer Daniels Midland Company (ADM) is seeking an economic development grant for expansion of the soybean processing plant.

13 DISCUSSION OF BOARD MEMBER MEETINGS

A. Meeting with Mayor Wesely - Workman, Hudkins

Workman and Hudkins reported that discussion focused on the following:

- Tour of Salt Creek Tiger Beetle habitat
- Economic summit with the City of Omaha
- Nash Finch building
- Planning Commission appointments

B. Parks and Recreation Advisory Board - Campbell

Item held.

C. Bioterrorism Tabletop Exercise - Hudkins

Doug Ahlberg, Emergency Management Director, appeared and reported on the bioterrorism tabletop exercise that was held March 8, 2002 in conjunction with the U.S. Department of Justice, noting five of the eight stated objectives were met. He reported that a functional exercise will be held May 31, 2002.

Eagan noted that Ahlberg purchased lunch for the participants.

Johnson said there are sufficient funds in the Emergency Management budget to cover the cost, but said the Board will need to approve the expenditure.

MOTION: Hudkins moved to authorize the expenditure.

The motion died for a lack of a second.

Board consensus to schedule action on the expenditure and a special presentation on the bioterrorism tabletop exercise on the March 19, 2002 County Board of Commissioners Meeting agenda.

Ahlberg said the U.S. Department of Justice will provide a report on the exercise and agreed to forward copies to the Board.

D. Region V Governing Board - Heier

Item held.

RETURNING TO ITEM 12B

Mark Bowen, Mayor's Chief of Staff, appeared at the Board's request.

The Chair explained that the Board is requesting several changes to the proposed interlocal agreement. He said the Board would also like input from Lincoln Partnership for Economic Development (LPED).

Bowen explained that the LPED Board voted to support the concept of the proposed positions (Economic Development Project Manager and Technology Development Project Coordinator), but believed that the positions should be supervised by LPED.

In response to a question from Eagan, Bowen said the City Council is scheduled to vote on the interlocal agreement on March 25, 2002.

The Board scheduled discussion with LPED representatives on the March 21, 2002 Staff Meeting agenda.

14 ADJOURNMENT

MOTION: Heier moved and Hudkins seconded to adjourn the meeting at 1:10 p.m. Heier, Campbell, Workman and Hudkins voted aye. Motion carried.

Bruce Medcalf
County Clerk